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MINERAL INDUSTRY SURVEYS

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PRECIOUS METALS IN SEPTEMBER 1996

Domestic

U.S. mines produced 26,900 kilograms of gold and 121,000 kilograms of silver in September.

Dakota Mining Corp., Denver, CO, and Hecla Mining Co., Coeur d'Alene, ID, announced plans to combine their gold mining interests in the Stibnite/Yellow Pine areas of Valley County, Idaho. By this action, the companies plan to streamline the future development of the sulfide gold ore resources in the region, sharing these assets on a 50:50 basis. Under the agreement, Dakota Mining will continue to mine its whollyowned oxide gold reserves at the Stibnite site.¹

The Alaska Supreme Court ruled on September 6 that the Juneau Planning Commission was in error in 1993 when it approved permits providing Echo Bay Mines Ltd., Denver, CO, the right to develop the company's Alaska-Juneau gold mine. The Court ordered the Juneau Assembly and Commission to revoke the permits.²

In mid-September, TVX Gold Inc., Toronto, ON, Canada, announced that its whollyowned subsidiary, TVX Mineral Hill, Inc., would immediately suspend its mining and milling operations at the Mineral Hill gold mine in the Beartooth Mountains of Montana. The company would, however, continue its surface exploration drilling program at the nearby Crevice Mountain gold property to assess the area's potential for future mine development. Pending the results of this exploration work, TVX has placed the mine, mill, and associated facilities on a care and maintenance status.³

Vancouver-based Placer Dome Inc. announced that it planned to integrate the development of the 78,000-kilogram (2.5 million-troy-ounce) South Pipeline gold deposit with the adjacent 134,00-kilogram (4.3 million-ounce) Pipeline deposit in Lander County, Nevada.⁴

The U.S. Department of Energy (DOE) indicated that it had no further plans to hold another offering of precious metals in

1996 (See *Precious Metals MIS*, July 1996.) The DOE had previously stated that it expected to schedule a third sale in late 1996.⁵

International

Komdragmet, the Russian committee for precious metals and gemstones, reportedly has been discontinued. Responsibility for the organization's business has been transferred to the Ministry of Finance.⁶

Coeur d'Alene Mines Corp., Coeur d'Alene, ID, reached an agreement in principle to increase its ownership of the El Bronce gold mine in Chile from 51% to 100%. Coeur reported that it would purchase the outstanding 49% interest from Cia. Minera El Bronce de Petorca for \$10.5 million plus a 3% net smelter royalty beginning Jan. 1, 1997, as indicated by *Reuters News Service*.⁷

A court in Lima, Peru, has granted Newmont Gold Corp., Denver, CO, and Cia. de Minas Buenaventura S.A., Lima, Peru, the right to acquire an additional 24.7% interest in Minera Yanacocha S.A. for \$109.3 million from Mine Or S.A., an affiliate of France's Bureau de Recherches Géologiques et Minières (BRGM).⁸

Freeport-McMoRan Copper & Gold Inc., New Orleans, LA, announced on September 18 that drilling work at the Kucing Liar copper/gold prospect within the "Golden Triangle" area at P.T. Freeport Indonesia Co.'s Ertsberg-Graserg District in Irian Jaya, Indonesia, had progressed from the exploration phase to the ore delineation phase. Initial exploration results had confirmed the continuity of extensive skarn-type copper/gold mineralization.

Hundreds of prospectors were reported to have begun racing across northeastern Ontario, Canada, in mid-September to stake claims in a 24,900-square-kilometer (9,600-square-mile) area following a decision in June by the Ontario Provincial

Government to open the area to mining and logging.⁹

In a September 25 press release, Eldorado Gold Corp., Vancouver, BC, Canada, announced that an exploration-development drilling program had begun at the company's WT gold deposit in western Turkey. Gold mineralization occurs in a 1.6-kilometer-long vein structure in altered hornfels and phyllites.

Update

In an October 16 press release, Santa Fe Pacific Gold Corp., Albuquerque, NM, announced that it had received U.S. Bureau of Land Management (BLM) approval for the company's operations plan for the expansion of the Lone Tree gold mine, located southeast of Winnemucca, NV,, allowing the immediate expansion of open-pit mining operations.

On November 26, Bre-X Minerals Ltd., Calgary, AB, Canada, announced that it was negotiating an agreement that will give Toronto-based Barrick Gold Corp. control of the Busang gold deposit in Kalimantan, Indonesia (See Update section of Precious Metals MIS, August 1996.) If the deal is successfully concluded, it will raise Barrick from third to first place among the world's gold-producing companies.¹¹

An agreement in principle reportedly has been reached in South Africa for the African Mining Group consortium, led by Capital Alliance Holdings, to purchase a 34.9% interest in Johannesburg Consolidated Investment Co. (JCI) from the Anglo American group. This represents the majority of Anglo American's 47% holding in JCI. The sale represents the culmination of Anglo American's strategy to transfer ownership of a major portion of the mining industry to black ownership.¹²

In a December 5 news release, Newmont Mining Corp., Denver, CO, indicated that it was prepared to acquire Santa Fe Pacific Gold Corp., Albuquerque, NM, in an exchange of company stock valued in excess of \$2 billion. In a letter delivered to the Santa Fe Pacific Gold Board of Directors, Newmont offered to effect a business merger on a pooling of interest basis through a tax-free exchange of 0.33 Newmont

shares for each share of Santa Fe Pacific Gold outstanding.

¹Engineering and Mining Journal. This Month in Mining. V. 197, No. 9, Sept. 1996, p. 32.

²American Metal Market. Court Orders City to Revoke Echo Bay Permits. V. 104, No. 175, Sept. 10, 1996, p. 1.

³The Mining Record. TVX Ceases Operations at Mineral Hill Gold Mine. V. 107, No. 37, Sept. 11, 1996, p. 1.

⁴Placer Dome Announces Pipeline Expansion Plan. V. 107, No. 39, Sept. 25, 1996, p. 3.

⁵Platt's Metals Week. DOE has No Plans for Precious Sale. V. 67, No. 39, Sept. 30, 1996, p. 9.

⁶Metal Bulletin. Hotline. No. 8108, Sept. 2, 1996, p. 14.

⁷American Metal Market. Coeur d'Alene Inks Chile Deal. V. 104, No. 174, Sept. 9, 1996, p. 4.

⁸Newmont Rights to Peru Mine Stake Upheld. V. 104, No. 176, Sept. 12, 1996, p. 1.

⁹"Great Gold Rush" in Ontario. V. 104, No. 185, Sept. 24, 1996, p. 16.

¹⁰Mining Journal, London. Secrecy Lifted. V. 327, No. 8397, Sept. 27, 1996, p. 242.

¹¹The Globe and Mail. Munk Nears Top of Gold Heap. Nov. 27, 1996.

¹²Mining Journal, London. Anglo Agrees to JCI Sale. V. 327, No. 8406, Nov. 29, 1996, p. 430.

Publications on the Internet

Monthly, quarterly, and annual Minerals Information publications are now available through the World Wide Web (www). These publications include Mineral Commodity Summaries, Minerals Yearbook, Mineral Industry Surveys, and Metal Industry Indicators. To access Minerals Information publications, visit the Mineralsx Information home page at <http://minerals.er.usgs.gov/minerals>.

TABLE 1
MINE PRODUCTION OF RECOVERABLE GOLD AND SILVER IN THE UNITED STATES, BY STATE 1/

(Kilograms)

States	1995 p/						1996 p/	
	1995 2/	September	October	November	December	Jan. - Dec.	January	February
Gold:								
Arizona	1,920	255	231	235	233	2,780	236	229
California	26,200	1,480	1,520	1,940	1,730	20,200	2,110	1,940
Idaho	8,850	240	236	261	277	3,000	W	W
Montana	12,400	1,230	1,420	1,350	894	13,600	791	642
Nevada	213,000	18,700	19,000	20,200	19,900	222,000	15,400	16,000
Other States 3/	58,000	4,630	4,160	3,850	4,310	51,500	4,990	4,680
Total	320,000	26,500	26,600	27,800	27,300	313,000	23,600	23,500
1996 p/								
	March	April	May	June	July	August	September	Jan. - Sept.
Arizona	178	161	168	117	119 r/	158 r/	228	1,590
California	2,210	2,250	2,170	2,210	2,080	1,880	1,880	18,700
Idaho	W	W	W	W	W	W	W	W
Montana	836	968	959	703	986 r/	988	946	7,820
Nevada	17,400	16,400	18,100	17,500	19,000	19,300 r/	18,300	158,000
Other States 3/	5,220	5,040	4,860	4,960	4,990	5,250 r/	5,580	45,600
Total	25,900	24,800	26,300	25,500	27,200 r/	27,600 r/	26,900	231,000
1995 p/								
	1995 2/	September	October	November	December	Jan. - Dec.	January	February
Silver:								
Arizona	220,000	14,800	15,900	15,600	16,700	172,000	14,900	16,500
California	12,700	888	996	1,220	1,200	12,100	1,460	1,440
Idaho	182,000	15,000	14,900	12,400	12,700	161,000	14,100	14,800
Montana	76,100	6,910	6,630	7,360	6,780	75,800	5,820	5,140
Nevada	766,000	68,900	56,200	49,000	54,800	653,000	42,700	42,600
Other States 4/	380,000	32,900	26,400	24,300	28,800	382,000	30,400	25,700
Total	1,640,000	139,000	121,000	110,000	121,000	1,460,000	109,000	106,000
1996 p/								
	March	April	May	June	July	August	September	Jan. - Sept.
Arizona	13,100	14,700	15,200	12,100	13,700 r/	13,600 r/	12,900	127,000
California	1,520	W	1,990	1,570	1,990	1,470	1,320	12,800
Idaho	16,600	11,300	16,700	16,300	15,700	15,700	15,700	137,000
Montana	W	W	W	W	W	W	W	11,000
Nevada	44,000	39,800	49,400	57,700	55,300 r/	53,900 r/	54,200	440,000
Other States 4/	34,900	40,100	34,500	39,800	38,400	45,600	37,100	326,000
Total	110,000	106,000	118,000	127,000	125,000 r/	130,000 r/	121,000	1,050,000

p/ Preliminary. r/ Revised. W Withheld to avoid disclosing company proprietary data; included in "Other States."

1/ Data are rounded to three significant digits; may not add to totals shown.

2/ Includes annual reporters.

3/ Includes Alaska, Colorado, New Mexico, South Carolina, South Dakota, Utah, Wisconsin, and State indicated by symbol "W."

4/ Includes Alaska, Colorado, Michigan, Missouri, New Mexico, New York, South Carolina, South Dakota, Utah, Wisconsin, and States indicated by symbol "W."

TABLE 2
SELECTED PRECIOUS METAL PRICES

(Dollars per troy ounce)

	Gold	Silver	Platinum	Palladium
<u>Engelhard Industries:</u>				
<u>1995:</u>				
<u>Year:</u>				
Low/date	373.68 (Jan. 09)	4.39 (Mar. 03)	404.00 (Mar. 02)	130.00
High/date	396.87 (Apr. 19)	6.02 (May 04)	462.00 (May 04)	179.00
Average	385.50	5.21	425.36	153.34
<u>1996:</u>				
<u>August:</u>				
Low/date	387.71/19	5.02/14	397.00/30	126.00
High/date	391.06/05	5.25/22	405.00/05	134.00
Average	388.71	5.12	400.77	128.82
<u>September:</u>				
Low/date	380.29/30	4.85/23	384.00/30	118.00
High/date	387.91/03	5.18/05	397.00/03	127.00
Average	384.27	5.01	390.50	123.10
<u>October:</u>				
Low/date	379.94/01	4.83/31	381.00/30	117.00
High/date	384.20/28	5.07/16	389.00/10	122.00
Average	382.36	4.94	384.70	119.39
<u>Year to date:</u>				
Low/date	379.94(Oct. 01)	4.83(Oct. 31)	381.00(Oct. 30)	117.00
High/date	391.06(Aug. 05)	5.82 (Feb. 02)	433.00 (Feb. 05)	146.00
Average	392.00	5.27	402.09	132.55
<u>Handy and Harman:</u>				
<u>1995:</u>				
Average	384.22	5.19	XX	XX
<u>1996:</u>				
August	387.43	5.11	XX	XX
September	382.97	5.01	XX	XX
October	381.07	4.93	XX	XX
Year to date	392.00	5.27	XX	XX
<u>London Final:</u>				
<u>1995:</u>				
Average	384.16	5.22	XX	XX
<u>1996:</u>				
August	387.35	5.13	XX	XX
September	383.14	5.04	XX	XX
October	390.55	5.28	XX	XX
Year to date	391.60	5.31	XX	XX
XX Not applicable.				

Source: Platt's Metals Week.

TABLE 3
U.S. IMPORTS AND EXPORTS OF GOLD, BY COUNTRY 1/

(Kilograms of gold content, unless otherwise specified)

Country	Ores and concentrates 2/	Dore and precipitates	Refined bullion 3/	Total	Waste and scrap 4/ (gross weight)
Imports for consumption:					
1995:					
Year	5,020	9,820	111,000	126,000	14,400
1996:					
June	288	635	8,950	9,880	953
July	273	1,030	13,300	14,600	1,090
August:					
Brazil	--	--	2,490	2,490	--
Canada	13	565	7,480	8,060	122
Chile	--	19	736	755	50
Colombia	--	--	857	857	--
Dominican Republic	--	--	54	54	504
Mexico	332	644	603	1,580	127
Russia	62	2	6	70	15
Other	--	74	2,090	2,160	334
Total	407	1,300	14,300	16,000	1,150
Year to date	2,540	7,600	95,600	106,000	8,670
Exports:					
1995:					
Year	345	69,700	277,000	347,000 5/	74,700 5/
1996:					
June	9	8,890	36,900	45,800	6,660
July	13	7,370	19,200	26,600	6,090
August:					
Belgium	--	--	1,500	1,500	154
Canada	7	1,010	136	1,150	4,280
France	2	--	--	2	1,480
Germany	45	--	210	255	176
Korea, Republic of	--	--	526	526	--
Switzerland	--	2,240	5,850	8,090	--
United Kingdom	--	1,430	24,400 5/	25,900	1,500
Other	--	--	554	554	80
Total	54	4,680	33,200	37,900	7,670
Year to date	138	36,300	348,000	385,000	64,700

1/ Data are rounded to three significant digits; may not add to totals shown.

2/ Includes gold content of base metal ores, concentrates, and matte imported for refining.

3/ Bullion also moves in both directions between U.S. markets and foreign stocks on deposit in the Federal Reserve Bank. Monetary

4/ "Waste and scrap" not included in "Total."

5/ All or part of these data have been referred to the Bureau of the Census for verification.

Source: Bureau of the Census.

TABLE 4
U.S. IMPORTS AND EXPORTS OF SILVER, BY COUNTRY 1/

(Kilograms of silver content, unless otherwise specified)

Country	Ores and concentrates 2/	Dore and precipitates	Refined bullion	Total	Waste and scrap 3/ (gross weight)
Imports for consumption:					
1995:					
Year	225,000	395,000	2,630,000	3,250,000	2,140,000
1996:					
June	20,000	16,200	189,000	226,000	158,000
July	10,800	25,000	226,000	261,000	147,000
August:					
Canada	374	--	67,700	68,000	16,200
Chile	--	10,800	5,590	16,400	38
Germany	--	--	--	--	38,800
Malaysia	--	--	--	--	26,600
Mexico	13,700	501	67,500	81,700	--
Peru	--	--	39,700	39,700	--
Philippines	--	--	--	--	6,730
United Kingdom	--	--	--	--	51,700
Other	--	141	156	297	409
Total	14,100	11,400	181,000	206,000	141,000
Year to date	94,800	170,000	1,700,000	1,960,000	1,220,000
Exports:					
1995:					
Year	743	72,100	2,810,000 4/	2,880,000	1,580,000
1996:					
June	--	834	643,000	644,000	93,100
July	240	994	537,000	538,000	86,500
August:					
Belgium	--	--	--	--	36,900
Canada	--	--	--	--	37,300
China	--	16	--	16	3,770
Germany	--	--	--	--	6,600
Japan	--	--	56,200	56,200	11,800
Singapore	--	--	20,000	20,000	--
Swieden	--	--	--	--	4,960
Switzerland	--	273	186,000	187,000	--
Taiwan	--	2,580	--	2,580	--
United Kingdom	--	15	18,700	18,700	6,580
Uruguay	--	--	2,850	2,850	--
Other	--	--	40	40	3,310
Total	--	2,890	284,000	287,000	111,000
Year to date	761	31,700	2,080,000	2,110,000	930,000

1/ Data are rounded to three significant digits; may not add to totals shown.

2/ Includes silver content of base metal ores, concentrates, and matte imported for refining.

3/ "Waste and scrap" not included in "Total."

4/ All or part of these data have been referred to the Bureau of the Census for verification.

Source: Bureau of the Census.

TABLE 5
U.S. IMPORTS AND EXPORTS OF PLATINUM-GROUP METALS, BY COUNTRY 1/

(Kilograms of metal content, unless otherwise specified)

Country	Ores and concentrates	Waste and scrap (gross weight)	Refined					Osmium	Ruthenium	
			Platinum	Palladium	Rhodium	Iridium				
Imports for consumption:										
1995:										
Year	123	6,350	71,500 2/	124,000	9,600	1,450	69	7,520		
1996:										
June	--	188	5,040	12,900	538	257	--	627		
July	--	263	7,020	5,360	747	54	18	618		
August:										
Belgium	--	--	114	680	90	--	--	--		
Canada	--	20	110	412	--	--	--	--		
China	--	--	--	86	--	--	--	--		
Colombia	--	--	10	--	--	--	--	--		
Germany	--	--	361	321	16	9	--	71		
Japan	--	--	--	245	--	--	--	--		
Mexico	--	52	--	--	--	--	--	--		
Norway	--	--	5	299	2	--	--	--		
Russia	1,860	18	1,550	7,370	76	--	--	--		
South Africa	--	26	2,780	1,220	683	40	--	245		
Switzerland	--	--	593	414	36	--	--	--		
United Kingdom	--	132	312	881	68	1	--	1		
Other	--	91	174	129	2	--	--	--		
Total	1,860	339	6,010	12,100	973	50	--	317		
Year to date	1,960	3,260	48,300	71,000	6,430	1,040	329	10,900		
Exports:										
1995:										
Year	598	8,150	19,900	26,000	742	85 1/2				
1996:										
June	4	908	914	2,410	17	6 1/2				
July	8	670	1,220	1,870	7	19 1/2				
August:										
Belgium	--	5	322	504	--	--				
Canada	--	7	24	76	--	--				
France	--	--	7	2	--	--				
Germany	--	47	60	46	--	1 1/2				
Hong Kong	1	--	--	69	--	--				
Ireland	--	--	2	61	21	--				
Japan	--	115	20	73	--	1 1/2				
Korea, Republic of	--	--	67	67	1	1 1/2				
Mexico	--	--	6	404	--	--				
Netherlands	--	--	--	777	--	--				
Singapore	--	--	2	33	--	--				
Sweden	--	5	10	17	--	--				
Switzerland	--	--	3	11	--	--				
Taiwan	--	--	13	173	--	1 1/2				
United Kingdom	12	623	59	174	1	4 1/2				
Other	--	--	98	44	--	-- 1/2				
Total	13	802	693	2,530	23	8 1/2				
Year to date	193	5,260	8,940	16,500	167	86 1/2				

1/ Data are rounded to three significant digits; may not add to totals shown.

2/ Of this amount 1,070 kilograms was in the form of platinum coins.

3/ Includes osmium and ruthenium.

Source: Bureau of the Census.